### **Multifamily Focus Group—Developers/Designers**

Thursday, August 18, 2005

Seattle Municipal Tower, Room 4096

Seattle Planning Commissioner: Martin Kaplan

Facilitator: Jim Metz, DPD Note Taker: Scott Dvorak, DPD

#### Attendees:

- Architect, LEED Certified
- Architect, specializing in non-profit housing
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### 1. Who do you build for? What demographic do you rent/sell to?

Our emphasis is on affordable housing but we also need to provide special needs housing.

We have similar clients. We're working on Rainier Vista.

We share clients with both of you – but we also have a wider market range including large scale – same commercial component.

Market-rate condo & senior housing low income. Generally all in the city, working in 65' zones.

We're doing more condos now

We're split 50/50 between building rentals and owner occupied units

### 2. On what grounds is the decision made to build apartments or condominiums?

No, more condos simply because market values are high.

Jim Metz: What drives your decision?

Clients really drives it. Developers usually have a way of doing things and they really don't change unless they have to re-evaluate their strategy.

Some motivation for developers who service first time homebuyers.

Land values, expensive market.

Location is important.

Insurance is a big deal. Project based insurance is expensive and deters many projects.

Architecture firm's insurance won't cover them doing condos – the developer needs to supply their own. Some developers are doing it now and get umbrella policies.

The high cost of single family housing is causing people to look at condos.

*Is that why we see unit lot subdivisions?* 

Yes, because they are fee simple.

They look like condos but they're not.

We live in an Lowrise 2 zone – the development looks single family, but house by house the area is turning to townhouses. It's an affordable alternative to SF ownership.

Jim Metz: Are there any other issues?

Relative value of rental income versus purchaser's price move people in buyers market. The low cost of rent discourages developing

Jim Metz: Why do you choose a particular area to build?

Land availability

Price and value of development profile. Most properties with amenities are condos.

I wonder if anyone makes decisions based on zoning? Maybe on lots in Neighborhood Commercial (NC), but not Lowrise 1 (L1), L2 or L3. Is there more flexibility in NC? Adjacency to single family zoning could be a factor to discourage people from wanting to do anything there.

The cost of land just to build 3-4 units just doesn't make sense in many cases.

Parcel size limit makes it unappealing to our clients.

You get the design builders down to 6-packs (6 unit townhouse developments often oriented around an internal courtyard). The approach for these projects is to go for small "tear down" house – no SEPA review required, no design reviews, follow zoning to a T, and then crank them out. In some places it is all that is being built. It is shaping the City and we have very little control over how they are being built.

Another factor is transit

Someone building a condo is looking for amenities – a place that will "sell" their units – like Ballard right now – or location within an urban village. On the affordability side, sites with tax incentives make a big difference.

### 3. What key factors determine a project's density?

For our not-for-profit clients we rarely approach limit – the number of units is usually dictated by funding availability.

Generally we fit in as many units as the can. Not-for-profits look at what their funding sources are most interested in.

Generally as many as possible though clients might cap projects just because numbers get too large – too large for them to manage, or sell, etc.

25-50 unit projects are popular.

When I was doing design review, people often brought in proposals that maxed out what they could build and it was hard to get interesting form or design through any tradeoffs.

The trick in design review is to sell departures as giving something in return.

Jim Metz: So Design Review becomes a place to barter?

They say it's not, but that is essentially what happens.

Jim Metz: Is it correct to say most projects do not get built to density – and are constrained by other factors?

For profit developers will not leave and thing developed.

I would say that's true of even our not-for-profit.

I agree – most of the time.

Parking determines density.

Yes and open space requirements. Areas with reduced parking will make those areas more appealing.

Requirements for many affordable projects is still higher than it needs to be.

Parking isn't only factor, but it goes into mix of decision.

I agree with Nancy, the open space requirements are a factor.

Nancy - not-for-profits would rather contribute to a fund that allowed development of an open space fund or a parking fund – some kind of combined resource

I've seen in Lowrise 3 (L3) or L4 where developers have put in townhouses instead of apts. Why is this happening? Market - people want to buy it - it's the product they want.

It's interesting to see. Cottage housing has potential. Single family zones don't allow them.

Setbacks limit flexibility so developers build a townhouse – allowing more flexibility might allow them to do something else.

Could they do DPD Administrative Design Review?

Maybe but they want to avoid that generally.

Time is of the essence in moving permit.

Yes - especially things in L2.

A project in Lower Queen Anne comes to mind – skinny little project could have doubled density but developer just does this building type and that's that. Comfort level of developer is part of the equation.

Little parking courts create canyons, closed window, everything wedged in.

Jim Metz: But generally if private sector in producing, they're selling?

Everyone -Yes

## 4. What about the multifamily code requirements is hard to understand or may not produce intended or desired results?

I hate it.

Architects hate codes in general.

I love it and hate it at the same time. I've been working with it for 20 years. I've worked in other places where the code is a lot simpler. Now design review can vary from zoning code but limitations are in zoning code. If we could make simple zoning code with a matrix indicating what is or isn't allowed and then let design review allow you to possibly deviate further on things such as lot coverage and setbacks.

Setbacks cause monotony in form. Using FAR rules could give flexibility in form. NC zones – no setbacks unless adjacent to a single family zone. Parking reduction would be great – especially linked to proximity to transit or Flexcar. It would encourage people to save money that way.

*Jim Metz: Do you suggest that for all zones?* 

If we're trying to control bulk, yes 64% lot coverage is set to do that. But you'll get more creativity in shape of building.

If you had a tool to modulate...

Yes – both setback and lot coverage right now you're getting monotony.

And most challenging in variety is the height limit. Assumed model is 8' height - if you wanted to be flexible and build a 10ft. or 9' floor you loose a floor. Developers may experiment with floor heights and create different spaces if they know they wouldn't loose a floor and it might mean allowing them the flexibility to go a couple feet above the height limit to get that new, interesting product. It would make a big difference in in-city market rate housing.

If you had FAR, height flexibility etc, you could get so much more interesting product.

I see all of the new buildings in Queen Anne with level rooftops. I see other cities with varied heights.

Or even different roof forms

But here you need flat roof to get everything in.

What is needed is a variation of rule for variation in the building

FAR could do that. We wanted to do something in SLU to vary a building -65° zone one section would be 85° while another part would be 45° - it would average out to 65° and allow more light into the site, but we couldn't do it under existing code.

I'm playing devil's advocate, but what about developers squeezing in 7.5' floors if they were given complete flexibility?

You could prevent that by in the code. The Fire Dept accepts 75' height for wood frame buildings. Why does the code set it lower?

The whole process is better served asking for departures. But so many developers won't even want to go there. They want design review to have more teeth helping them build projects relevant to communities

Those options provided to design review boards could make them more responsive to community.

Several areas have long skinny commercial areas with no alley making them difficult to develop.

# 5. What about the multifamily code works and what's missing? (e.g. intent of regulations, flexibility, illustrations)

My favorite zone is Seattle Cascade mixed use – retail is discretionary, flexible - height limit is higher 75' gives a lot more room.

Jim Metz: Is flexibility in the code good?

If code could be drafted to deal easily and understandably with a baseline of flexibility you would get more flexibility. There should be a process where owners and developers with design team can make it work – would need design review, but you would only go to design review for departures.

Right...but if flexibility is built in code then you can do more things without design review. Process could be a lot cheaper and get better product

But who gets to make decisions about the flexible options - a neighbor may not want you to make that decision. Inflexibility is meant to protect the public from some adverse impacts.

One of the things that go against good design is inconsistency. Even the nicest building repeated over and over again can create a boring experience. Variability will give you a dud every once in a while, but a vibrant neighborhood can handle it.

Washington DC is a great example of a place with rhythm but variation. Brick row houses with a distinct pattern/rhythm, yet generally varied which creates an interesting streetscape.

Jim Metz: So, one of the unintended consequences of the code is homogenization?

If the code says X you get X.

Jim Metz: What changes would you make? What would you want?

Oualified architects should write their own code.

Land value is determined by what can be put on it. Developers need to know so what is allowed. It can't be so flexible as to make it uncertain. Describe a tool kit of savings - if this then this is allowed, etc... Cascade mixed use - no lot coverage interior public space counts as open space.

Jim Metz: So then Seattle Mixed zone is a model?

It's better than others.

I agree with that.

I would like to see more leadership from DPD dealing with NIMBYism. They let meetings run on with so much that isn't relevant. It's a waste of time and frustrates the process.

Jim Metz: What would that look like?

Several DPD staffers are good at it. They run the meeting instead of letting it run on...

For example, parking is not in Design Review. Just say that's not part of this meeting, we can talk about it later and then do... Also, if you let the public speak they think their comments should be incorporated and

then they aren't because it's not in the purview of design review – then they are mad because they believed that their comments would/should be incorporated.

*Jim Metz:* What would you like to see in the code?

There is a big gap between large projects and small projects. Lots of NC zones could be developed if height increased or lots consolidated. Height, problem to get approved, lot size are all issues. Small projects without same intensity of large projects could make things more interesting.

Combination of small parcels into large projects could be bad in long run.

Then they try to break projects into pieces which the small lots already would have achieved. Ironic that there is a need to consolidate properties to be able to develop and then have to design the project to break up the massing.

Jim Metz: Are there too many different zones?

I don't know anyone doing L1, L2 or Lowrise, Duplex, Triplex (LDT).

It's not the number of zones, it's the overlays that are cumbersome. They are hard to keep track.

I don't mind that detail - but setbacks, for example, have so many variations that it's hard to follow.

# 6. In your opinion, what types of development are proven to be most affordable (and for whom?), and does the zoning accommodate this type of development?

Larger is more affordable, but parking requirements & concrete raise cost.

And the addition of retail increases cost of the structure.

Open space requirements are often fulfilled by putting a lid with landscaping - then you have problems in the long run which make the project less affordable. Open space on roofs is a bad idea.

Or all the way up on the roof and you need an extra floor for elevator.

Weight on top load is awkward for the structure. There should be more flexibility on units with decks - buildings look bad but often it's the only way to achieve open space.

If the code could inspire good design and use of quality materials and let developer get a couple more units.

Look at car ownership to find out how much car parking is needed. The Capitol Hill Housing Improvement Partnership (CHHIP) has 30% ownership rates in their properties and yet they are required to provide 1 to a half space per unit.

Can the code be the lead on forcing people out of their car?

There are all sorts of ways to require less parking....

What is affordability??

*Jim Metz:* Does that leave building affordability to government or not-for-profits?

Everyone - yes

Every developer leans toward the market

At Alcyone we changed things to lessen rents – but it was to go after a certain market – not necessarily to become "affordable."

Parking limits. In some places where it wasn't required we maxed development and got less expensive units.

Wouldn't we get affordability if we dropped parking requirements? Market would take care of it.

With parking, developer goes for higher end – and 2 cars per unit.

Without parking they could sell/rent at lower price point. Parking - if you build it they will come. It won't ever be enough

Still not convinced this is the level (zoning code) which comes first.

Maybe it's a range a limit and a cap.

We had a project where the developer was deciding between focusing on family affordability or senior affordability. They chose senior so that they didn't have to build parking – it was easier to do.

We can't talk about this with out talking about transit availability.

Frequent service makes the difference – U. District has great service. While at 23<sup>rd</sup> & Jackson service is over half hour. If we are going to force people to go without parking – you need to have transit service.

Schools. We talk about increasing density but it sounds like that's for singles or professional\_couples not kids. There are critical connections between the zoning code and school health.

What we build in dense areas is not for families. Vancouver does with development that includes – stoops, parks, and schools. The Mayor's idea of fees for parks is OK, but where are they going to go?

It's important to give families the opportunity to live without driving, but you have to give them what they need in their neighborhoods.

## 7. The Comprehensive Plan and many neighborhood plans call for a mix of housing types. How do you think we can achieve a mix of housing types? Do you think the Land Use Code allows for this?

Everyone – No

The zones are too rigid. Yet, many urban neighborhood plans anticipate a variety of housing types to service everyone.

Cottage Housing.

Allowing it outright would be good.

Portland has a row house zone and it works well.

Allow more cottage housing in more places. DADUs are huge – helps affordability for rent or older relatives.

The more we can allow a single lot owner to develop the better.

It's a battle getting them in SF but also in LDT, L1, etc. More single family houses would remain in those zones if detached accessory dwelling units (DADUs) were allowed. Maybe we should even create a zone where they are allowed.

### 8. How can we encourage good design?

The program that produced Ravenna Cottages was great. We need more models/examples of things to show people that they are alright.

A system to lay out what we want this street to be...Lay out the urban design expectation and have an urban design plan.

That's a huge effort, who's going to do it?

We can't do many projects unless Seattle Department of Transportation (SDOT) signs off on it.

Jim Metz: So, government is an impediment?

Two parts of Government not talking.

We have a project where SDOT is working to take out trees that we are trying to save.

SDOT has gotten better.

They have.

It's been great to work with them on Rainier Vista.

Rainier Vista and Holly Park will be great – the goal is to get a variety of types of housing and it is working.

They will be good examples. We rezoned parts to L4 with no intention to build out to that density, but we negotiated for an overall density and then used that flexibility to create diversity of housing types.

Could that be done as a local improvement district or a neighborhood district? Right now it is just lot by lot; only large projects can do it.

Big projects are not bad. Smaller ones have been more problematic.

Design review seems to be doing its job.

Any project other than a single family house could have to go through design review.

But there should be a friendlier approach – perhaps a two-tiered approach, one for larger projects and one for smaller ones.

But it has to have teeth.

Jim Metz: Anything else?

Front porches as open space at Rainier Vista needed a design departure.

In some places the single family/neighborhood commercial interface is harsh – we need to adjust this/think about how to improve it – maybe limit retail in some of these areas, particularly along corridor strips of neighborhood commercial, like in Phinney Ridge. Other things like lower floors or less lot coverage.

More modulation would be good. The code is too restrictive. Early development (pre-design review) looked like drawings from books. Then design review came along and made things better.

Are design review board members included in this process?

Yes.